

ILLINOIS COMMERCE COMMISSION
PEOPLE OF THE COUNTY OF KANKAKEE DATA REQUEST

Utility Company: Aqua Illinois Inc.

Docket No.: 06-0285

Date Submitted: August 23, 2006

Submitted By: Jack Schreyer, Manager of Rates (610) 645-4237

2.6 Re: Aqua Exhibit 7.0 (Schreyer), 19:394 to 20:421.

- (a) Please describe the type of information that is contained in the "Narrative" portion of the bills from Aqua's outside counsel that Aqua alleges to be subject to attorney-client privilege.

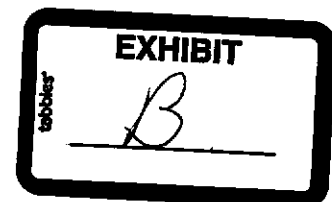
Answer: Objection. Calls for information protected by the attorney-client and attorney work product privileges. Without waiving this objection, the "type" of information contained in the "Narrative" portion of the bills includes the specific nature of the work performed, such as issues researched, and the matters discussed between outside counsel and Aqua.

- (b) Does Aqua claim that the identity of the people with whom counsel consults is subject to attorney-client privilege? If so, please provide the basis for this claim. If not, please provide copies of the bills for legal services that do not redact this information.

Answer: Objection. Calls for a legal opinion or legal contention that is protected by the attorney work product privilege. Calls for information protected by the attorney-client and attorney work product privileges.

- (c) Does Aqua claim that the general subject matter of discussions between counsel and his/her client, for a proceeding that has been filed, is subject to attorney-client privilege? If so, please provide the basis for this claim. If not, please provide copies of the bills for legal services that do not redact this information.

Answer: Objection. Calls for a legal opinion or legal contention that is protected by the attorney work product privilege. Calls for information protected by the attorney-client and attorney work product privileges. Without waiving



this objection, the "general subject matter" of discussions between counsel and Aqua is the litigation of the Kankakee rate case in Docket 06-0285.

- (d) Does Aqua claim that the fact that communications occurred, without disclosing the content of those communications, involving a proceeding that has been filed, is subject to attorney-client privilege? If so, please provide the basis for this claim. If not, please provide copies of the bills for legal services that do not redact this information.

Answer: Objection. Calls for a legal opinion or legal contention that is protected by the attorney work product privilege. Calls for information protected by the attorney-client and attorney work product privileges.

- (e) Does Aqua claim that the general subject matter of discussions between counsel and consultants hired by his/her client, without disclosing the content of those communications, for a proceeding that has been filed, is subject to attorney-client privilege? If so, please provide the basis for this claim. If not, please provide copies of the bills for legal services that do not redact this information.

Answer: Objection. Calls for a legal opinion or legal contention that is protected by the attorney work product privilege. Calls for information protected by the attorney-client and attorney work product privileges.

- (f) Does Aqua claim that the general subject matter of discussions between counsel and consultants hired by counsel, without disclosing the content of those communications, for a proceeding that has been filed, is subject to attorney-client privilege? If so, please provide the basis for this claim. If not, please provide copies of the bills for legal services that do not redact this information.

Answer: Objection. Calls for a legal opinion or legal contention that is protected by the attorney work product privilege. Calls for information protected by the attorney-client and attorney work product privileges.

- (g) Were Aqua's non-employee witnesses in this case retained by Aqua or by Aqua's outside counsel?

Answer: Aqua's non-employee witnesses were retained by Aqua.

(h) Please provide copies of Illinois Commerce Commission orders or regulations that the witness relied on for his testimony on line 403 that it is "standard practice" to redact the entire narrative portion of legal bills for rate case services in Illinois.

Answer: The witness relied upon his knowledge that Aqua and other utilities have routinely redacted the narrative portion of their outside legal invoices in rate cases before the Illinois Commerce Commission.

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2.7 From the copies of legal bills contained in ICC Staff Exhibit 1.0, it appears that the Client and Matter number on the Sonnenschein law firm's bills for this proceeding is 09807980-0009 (Kankakee Rate Case). Concerning this:

- (a) Please provide a summary of all bills issued to date under this Client/Matter number, showing the person providing services, the number of hours provided, the rate per hour that is charged, and the nature and cost of any expenses included on such bills.

Answer: Objection, asked and answered. Without waiving this objection, Sonnenschein's client and matter number for this case is 09807980-0009. Sonnenschein also issued one invoice that included work related to this case under Sonnenschein's general matter number for Aqua, which is 09807980-0001 on January 30, 2006, because at the time that work was invoiced Sonnenschein had not yet opened its specific matter number for this case. Redacted copies of all invoices issued under 09807980-0009 as well as the one invoice issued under 09807980-0001 have been provided in response to Staff data request MHE 1.02 as well as in the Rebuttal Testimony of Mr. Jack Schreyer at Aqua Exhibit 7.1. Aqua will seasonably supplement MHE 1.02 with additional invoices issued under 09807980-0009 through the close of the evidentiary record. These redacted invoices contain the information requested, namely the persons providing the service(s), the number of hours provided, and the rates per hour charged. With respect to the single invoice issued under 09807980-0001, only the two entries for S. Galioto on November 8, 2005 and December 16, 2005 relate to this case, and those entries again show the requested information. All fully redacted entries on that same invoices are for work unrelated to this case and for which Aqua is not seeking recovery in this case. Answering further, assuming

"expenses" refers to costs, examples of which are filing fees, federal express fees or copying fees that law firms may incur on behalf of clients, to date Aqua has not been invoiced for any such expenses from Sonnenschein related to this case. Should Aqua be invoiced for such expenses in the future, the exact nature and costs of those expenses will be delineated on the future Sonnenschein invoices.

(b) Please provide unredacted copies of all bills issued to date under this Client/Matter number.

Answer: Objection, calls for attorney-client privilege and attorney work product.

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2.8 Please provide a summary of bills issued to date under Client/Matter number 09807980-0009, showing the person providing services, the number of hours provided, the date on which the services were provided, and the rate per hour that is charged for each of the following:

- a) Work involving the preparation of the initial filing and testimony
- b) Work involving responding to interrogatories
- c) Work involving legal research, or the preparation of motions or other pleadings
- d) Work involving preparation for and participation in status conferences
- e) Work involving the review of, and response to, ICC Staff's testimony
- f) Work involving conversations or correspondence with any officer or employee of Aqua that does not fall into the previous categories
- g) Work involving conversations or correspondence with any independent consultant or expert witness (not an employee of Aqua) that does not fall into the previous categories
- h) Other work, divided into appropriate categories that generally describe the nature of the work performed, but without disclosing the content of any communications between counsel and Aqua

Answer: Objection, calls for information protected by the attorney-client and attorney work product privileges.

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2.9 Are any bills with a Client/Matter number other than 09807980-0009 also being included in Aqua's claim for rate case expenses? If so, please list each such Client/Matter number, state the title of the Matter, and explain why costs billed to that Matter are appropriate for inclusion as rate case expense.

Answer: Yes. As stated in response to 2.7, two time entries for S. Galioto dated November 8, 2005 and December 16, 2005 on one invoice issued on January 30, 2006 under Sonnenschein's general matter number for Aqua, 09807980-0001, redacted copies of which were provided in response to Staff Interrogatory MHE 1.02, are included in Aqua's recovery for rate case expense. The two identified entries are for work related to litigating the instant case. They were invoiced under Sonnenschein's general client-matter number for Aqua because at the time the work was invoiced Sonnenschein had not yet opened its specific matter number for this case.

(a) Please provide a summary of all bills issued to date for costs for which recovery as rate case expense is sought, under each such Client/Matter number, showing the person providing services, the number of hours provided, the rate per hour that is charged, and the nature and cost of any expenses included on such bills.

Answer: Please see Aqua's response to 2.7, which is incorporated here by reference.

(b) Please provide unredacted copies of the portions of all bills issued to date under each such Client/Matter number for which recovery of the expense as rate case expense is sought.

Answer: Objection, calls for attorney-client privilege and attorney work product.

(c) For each such Client/Matter number other than 09807980-0009, please provide the information requested in items (a) through (h) of question 8, above, as it relates to the amounts claimed to be rate case expense.

Answer: Objection, calls for information protected by the attorney-client and attorney work product privileges.

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2.10 Each data request response shall be sworn to and verified by providing an attestation in the following form:

STATE OF _____)

COUNTY OF _____)

_____, being first duly sworn on oath, deposes and states that he/she has read the responses to Staff Data Requests [LIST APPLICABLE DATA REQUEST RESPONSES], and the answers made therein are true, correct and complete to the best of his/her knowledge and belief.

Signature

SUBSCRIBED AND SWORN to before me this ____ day of _____, 2006

NOTARY PUBLIC

Answer: No substantive response required.

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2.11 The Company must seasonably supplement or amend any prior answer or response whenever new or additional information subsequently becomes known to the Company. The Company must also seasonably supplement any prior response to the extent of documents, objects or tangible things which subsequently come into the Company's possession or control or become known to the Company.

Answer: No substantive response required.

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2.12 Due to the requirements regarding ex parte communications in the recently enacted State Officials and Employees Ethics Act, 5 ILCS 420/5-50, please serve your responses to these data requests to all parties on the Service List for this Docket.

Answer: No substantive response required.